

Washington DC - Rep. Linda Sánchez, a member of the House Ways and Means Committee, voted with a majority of her colleagues on both sides of the aisle today to pass legislation to levy punishing taxes on big employee bonuses at AIG and other firms bailed out by taxpayers.

Sánchez issued the following statement:

“It is outrageous that taxpayers should foot the bill for executive bonuses when it is their own risky behavior that put us in this mess in the first place,” said Rep. Linda Sánchez. “By passing this legislation, we are showing AIG and other companies receiving taxpayer funds that we mean business when we say that tax dollars are not to be used to enrich company executives.”

“It makes no sense for every taxpayer in the country, including those who are unemployed, in foreclosure, or who can't afford healthcare, to pay for bonuses that went to the very people whose poor judgment and greed fed this financial disaster,” continued Sánchez. “A system where it's lose-lose for the working class and win-win for the irresponsible is flat out backwards.”

With a vote of 328-93, H.R. 1586 would tax the bonuses of highly paid individuals at a rate of 90 percent if their employer received more than five billion dollars in Federal assistance under the Troubled Asset Relief Program (TARP). The legislation only applies to individuals whose total family income exceeds \$250,000 per year (adjusted gross income). It affects bonuses received after January 1, 2009 and would cover companies receiving more than three-fourths of financial rescue funds already distributed.